

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6399**

**BILL NUMBER:** HB 1259

**DATE PREPARED:** Dec 1, 1998

**BILL AMENDED:**

**SUBJECT:** Medicaid Autism Waiver Slots Appropriation.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill appropriates to the Office of Medicaid Policy and Planning (OMPP) from the state General Fund an amount sufficient for use in funding an increase in the number of eligible individuals served under the Medicaid Autism Waiver.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill appropriates an amount from the state General Fund sufficient to fund an additional 50 individuals on the Medicaid Autism Waiver for FY2000 and an additional 100 individuals for FY2001 (over the current waiver capacity of 200). The additional state cost from this provision is estimated to be about \$674,000 for FY2000 and \$1.412 million for FY2001, if fully implemented. Expenditures in any particular year would depend upon the time required to obtain approval from the Health Care Financing Administration (HCFA) for the change in the waiver and upon administrative action in filling the waiver slots once HCFA approval is obtained.

Total additional costs are estimated to be \$1.743 million for FY2000 (federal share: \$1.069 million; state share: \$0.674 million) and \$3.650 million for FY2001 (federal share: \$2.238 million; state share: \$1.412 million). This estimate is based on the current average cost of an individual on the Autism Waiver of about \$91 per day adjusted for inflation. Ultimately, the total costs depend upon the service requirements of the particular individuals on the waiver at any given time.

There would also be offsetting expenditures, to some extent, to home and community-based services to autistic individuals compared to the cost of institutional services. Although it isn't clear what the true cost effectiveness of home and community-based services waivers is, to the extent that an individual (who would otherwise have to reside in an institution) is provided waiver services in the community at a lesser cost than in the institution, a savings to the state would occur. However, if an individual has sufficient family and community support to be able to remain in the community anyway without state help, but is provided services

under the waiver, the state incurs additional Medicaid costs that the state would not have incurred without the waiver. Thus, a fiscal savings would not exist for this type of individual. The true cost effectiveness of a waiver, thus, depends upon the mix of individuals on the waiver, how the waiver is administered, and how tightly controlled is the access to waiver services.

Timing of the expenditures depends upon the length of time required to obtain approval from HCFA for the change in the waiver. This can include the time required for the state to complete an application for the waiver, as well as the time required for HCFA to respond. Timing of expenditures also depends upon administrative action in filling the waiver slots once HCFA approval is obtained. Filling the waiver slots later in the year will result in lower total expenditures for the year than if the slots were filled early.

**Explanation of State Revenues:** See Explanation of State Expenditures, above, regarding federal financial participation in the Medicaid program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration

**Local Agencies Affected:**

**Information Sources:** Walter Thomas, FSSA, 232-7141.